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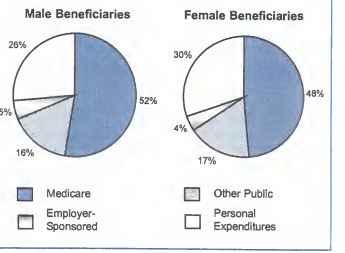
Gender Differences in Personal Expenditures

MCBS 1997 data show that female beneficiaries had higher personal expenditures than male beneficiaries. Gender differences in institutionalization rates and in supplemental health insurance may explain the overall differences in expenditures between men and women.

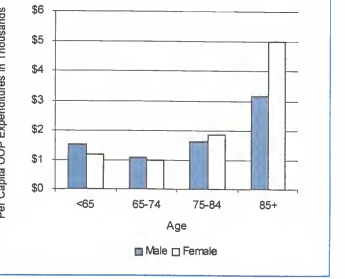
After Medicare, beneficiaries' personal expenditures made up the second largest source of health care financing in 1997. Personal expenditures include total out-of-pocket expenditures, private health insurance premiums and Medicare premiums. Personal expenditures were $2,850 per capita for female beneficiaries and $2,398 per capita for male beneficiaries—a difference of 16 percent. Personal expenditures made up 26 percent of total health care expenditures for male beneficiaries and 30 percent of total expenditures for female beneficiaries.

In 1997, two-thirds of personal expenditures were out-of-pocket (OOP). Total OOP expenditures were higher on average for female beneficiaries, who paid $1,844 per capita, than for male beneficiaries, who paid $1,471 per capita. Men had higher OOP expenditures per capita among beneficiaries under age 75, and women spent more OOP per capita over age 74. The largest difference between the two was for beneficiaries over age 84, where women paid 37 percent more OOP than men ($5,004 per capita compared to $3,135).

Distribution of Payment Sources, By Gender



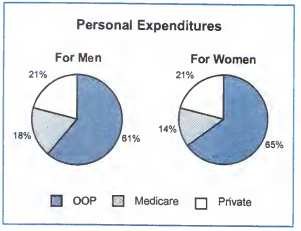
Per Capita OOP Expenditures, By Age and Gender

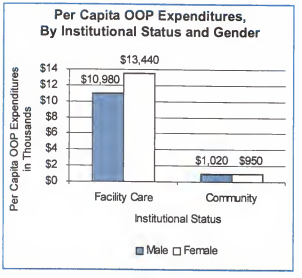


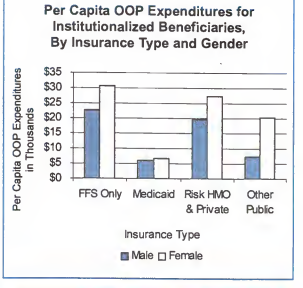
In addition to OOP expenditures, beneficiaries' personal expenditures also included Medicare and private health insurance premiums. Medicare premiums were similar for both men and women, but private health insurance premiums were 15 percent higher for female beneficiaries. However, because total health expenditures were higher per capita for women, private health insurance premiums made up the same percentage of personal expenditures for both male and female beneficiaries. Medicare premiums made up a larger percentage of personal expenditures for men and OOP expenditures made up a larger percentage of personal expenditures for women.

Some of the 22 percent difference in OOP spending between male and female beneficiaries may be attributed to differences in OOP spending between institutionalized beneficiaries and those living in the community. Female beneficiaries living in the community paid eight percent less OOP per capita than male beneficiaries living in the community; female beneficiaries in institutional care paid 18 percent more OOP per capita than institutionalized male beneficiaries. Furthermore, a higher percentage of women were institutionalized in 1997 than men (seven percent compared to four percent).

Medicare Part A pays only a portion of skilled nursing facility claims up until the 100th day, and does not pay for non-skilled nursing facility institutional care. Therefore, differences in supplemental health insurance policies also impact OOP expenditures. Specifically, there were differences in OOP expenditures among beneficiaries covered by Medicaid and other public health insurance programs. Far more institutionalized male beneficiaries than female beneficiaries are eligible for VA care, which typically involves little or no coinsurance. Female beneficiaries are more likely to rely on Medicaid benefits for facility care, but Medicaid rules stipulate that most of the beneficiary's social security check be used to pay for care. Thus, Medicaid recipients incur proportionately higher OOP expenditures than do VA recipients and this may explain why institutionalized female beneficiaries tend to have higher OOP expenditures than do male beneficiaries.







This issue of MCBS Profiles By: Meredith Aber and Frank Eppig